



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 12, 2001

TO: Minerals File

FROM: Tony Gallegos, Senior Reclamation Specialist 

RE: Site Inspection, Absolute Mining and Minerals Inc. (AMMI), Dolores River Placer Mine, S/019/035 (UTU-72488), Grand County, Utah

Date of Inspection: March 20, 2001
Time of Inspection: 0930 - 1530
Conditions: Partly Cloudy, Warm
Participants: Dale Snyder, AMMI; Lynn Jackson, BLM; Wayne Hedberg, Tony Gallegos, DOGM

Purpose of Inspection: To identify areas of continued operation and areas to be reclaimed by AMMI

We met Dale Snyder at the turnoff by the old Dewey Bridge and then drove out to the site. Dale pointed out several old roads and mining disturbances along the way as we drove into the site. We noted a white claim marker by the side of the main access road just before the road goes down to the river level. This marker identifies the southern end of the claim block, with the. The claims go from this point up river to an area beyond his current mine site. There were a number of cattle grazing along the river bottom when we arrived at the locked gate to the site.

At the mine we first reviewed a map identifying regions that could be reclaimed, and their approximate acreages. One issue concerning Dale was that the access road was being included as part of his site disturbance. He believed this was an existing road, which is also used by other people such as ranchers. Dale mentioned that he would be willing to reclaim this road at the end of operations, but he did not think it was reasonable to include this existing road as disturbed acreage for his mine site.

Lynn Jackson mentioned that this road may have been included by Grand County a county road and if so, that would affect the BLM's position on reclamation of the road. The Division's policy is that the existing road disturbance is not the responsibility of the mine operator unless the road has been changed in some way from its pre-existing condition. To resolve the road issue, we agreed that the Division would measure the road disturbance from the mine site to the gate. This road disturbance would be identified on the new map to be prepared by the Division. The Division would then contact Grand County regarding the disposition and/or ownership of the road between the gate and the mine site.

In looking at the current conditions at the mine site, Dale mentioned he could move the large tanks from the area southeast of the building to the north end of the site near the other tanks. He mentioned that their plan is to eventually use these tanks similar to the way the other tanks are being used. He could move these tanks reduce the disturbed areas immediately adjacent to the building.

After looking over the map we walked around the site to identify areas needed for the mining operation and areas, which could be reclaimed. We first examined the pile of separated gravels and fines at the bottom of the separation circuit. These piles are made up of material from the hill, which has separated. Dale mentioned that he was finished on the top of the hill and he could reclaim and seed that area. His understanding was that when he was going to do that, the BLM would provide the seed. Lynn Jackson clarified that the BLM would describe the seed mix he would need to use, but they would not provide the seed itself.

Dale mentioned that his long-range plans would include keeping this building as a mill site while mining operations could move to another site. We discussed the possible permitting scenarios of another separate small mine site, or an expansion of this operation to a large mine status under Division rules. After this discussion, we determined some corners where Dale could drive a stake in the ground for use as a location point with the GPS system.

The first stake was placed near the northeast corner of what Dale considers his active mine area. This corner is by the separated gravels. From here we went to the top of the hill where another stake was placed to tie in with a point behind the building. From this vantage point the next location behind the building would be on the berm near the shed lying on the ground immediately south of the building.

From up on the hill we then went to the berm located to the southwest of the building and placed a stake here. Dale wanted the permit border to go from this stake back along the pipeline corridor to the pump station on the riverbank. An intermediate point was temporarily established along the line to the pump station by using a piece of white PVC pipe set inside the vertical culvert for the valve station. The valves direct water from the pump to either the railroad car tank or into the building.

The next stake was placed near the lone tree along the pipeline corridor from the river. The next stake was placed to the east of the lone tree followed by another stake to the north placed on the berm to tie in with the first stake located across the pond area and near the separated gravels.

Dale mentioned that he could move the old chute (which is his) from north of what is being called the active permit area back inside this permit area. He could also move those tanks southeast of the building to the other two tanks near the pond, if needed.

After establishing these control points we discussed the reclamation treatments, which could be used at the site. Lynn Jackson left the site about 1245, and shortly thereafter, Dale Snyder locked up the building and left the site at about 1300. Division staff then used the GPS system to map the AMMI disturbance and set up coordinate points at the stake locations. The coordinate points for the stakes were taken first, and then the perimeter of the proposed permit boundary was measured.

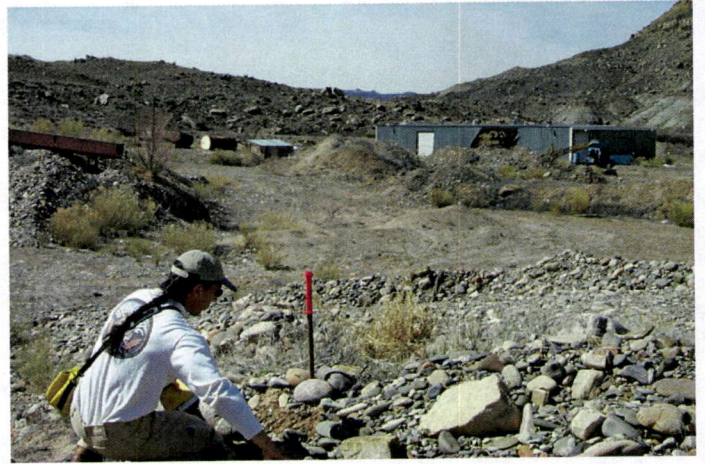
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The area for the access road from the mine to the locked gate was then measured separately. This area began at the edge of the permit boundary approximately where the road crosses over the culvert. The road area was measured twice due to signal precision problems during the first measurements. After measuring the road we left the site and locked the gate behind us.

In conclusion, the Division agreed to prepare revised maps, write up an inspection memo, contact the County regarding the road, and follow up with another letter describing the next tasks. Photographs of the mine site and stake locations were taken from numerous vantage points.

jb
cc: Dale Snyder, AMMI w/photos
Brent Northrup, Moab, BLM w/photos
Mary Ann Wright, DOGM
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AMMI
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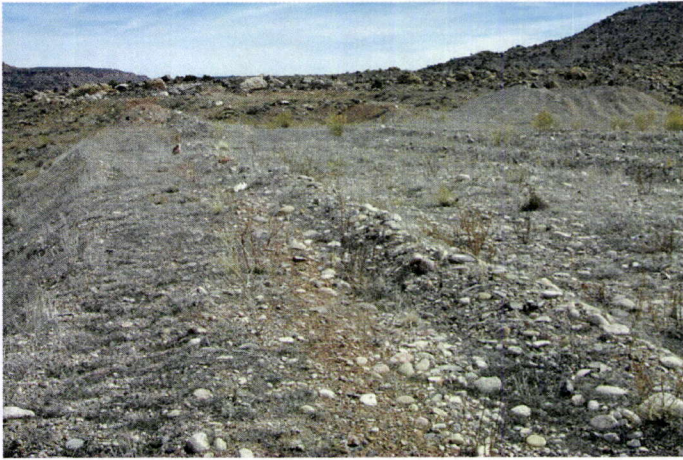
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